

*Investigation & Hearing 2*

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29 October 1954

OGC Has Reviewed

25X1A9A

25X1 LEGL

Memorandum for: Mr. [REDACTED]

Subject : Misuse of Agency Funds

25X1LEGL

25X1A9A 1. In accordance with your suggestion, I discussed with Mr. [REDACTED] Memorandum of 19 October 1954 from Chief, FE, to Chief, I & R. As related to you late yesterday afternoon, the subject referred to arises out of the case of Mr. E, now in the process of being submitted to the Department of Justice for consideration in the light of possible violation of the criminal statutes. Apparently, as I understand it, one of the counts that may be asserted against Mr. E is the coincident dipping into dual expense account whereas his entitlement thereto was individual. It appears, following an interrogation of Mr. E in which Agency principals participated, that Mr. E has expressed amazement and chagrin for being charged with this alleged impropriety and has asserted that it was a commonly condoned and accepted practice on the part of Agency personnel and those associated with the project. Mr. E apparently has stated that many were involved and alleges that the three individuals named in the referenced memorandum were among those who participated in the practice referred to.

2. I & R is attempting to have the circumstances clarified by eliciting information from the individuals referred to in the last paragraph. Inasmuch as the individual referred to in the second paragraph of the referenced memorandum is no longer associated with this Agency, the facts are being developed through Agency sources. Hence, the reference in paragraph 2 is not a reference inferring a cancellation of an indebtedness.

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OGC:JBK:cst

cc: JBK Chrono